

MOVING TO WORK DEMONSTRATION EVALUATION

DRAFT RESEARCH DESIGN

BACKGROUND

The Moving to Work (MTW) demonstration permits a small number of participating Housing Agencies (HAs) to request waivers of otherwise required federal statutes and regulations that are within the purview of the U.S. Department of Housing and Urban Development (HUD). Although the demonstration's title suggests a focus on resident employment and self-sufficiency, MTW is, in fact, the product of a legislative compromise between proponents of far-reaching public housing deregulation and skeptics of such deregulation. During the legislative process, the latter sought to contain the demonstration by narrowing its scope and focus to the enhancement of resident self-sufficiency—hence, the demonstration's title. The compromise involved establishing three demonstration objectives:

- Reduce cost and achieve greater cost effectiveness in Federal expenditures;
- Give incentives to families with children where the head of household is working, is seeking work, or is preparing to work; and
- Increase housing choices for low-income families.

The existence of multiple demonstration objectives allowed some HAs to participate in the demonstration primarily to achieve greater institutional autonomy from HUD and federal controls generally, while allowing others to place primary emphasis on altering specific federal rules or policies believed to be impeding the accomplishment of local program objectives. The latter frequently, but not exclusively, consist of public housing policies or procedures thought to affect prospects for resident self-sufficiency. Another hallmark of the demonstration is that each HA has its own MTW agenda, consisting of a unique combination of approaches to managing and providing housing assistance, and its own local objectives. Approaches and objectives are not necessarily consistent either within or across HAs.

HUD contracted with Quadel Consulting Corporation and its subcontractor, the Urban Institute, to provide technical assistance services for the long-term evaluation of the MTW demonstration. This plan identifies the kinds of information needed to assess the demonstration in order to inform the national policy debate about the benefits and consequences of housing deregulation. It outlines a strategy for assessing the demonstration after three years of operation and identifies the measures and procedures for collecting and analyzing needed information.

Sites and Time Period

This assessment covers the twenty housing agencies identified as having an MTW effort as of March 28, 2000. The sites are: Cambridge, MA; Chicago, IL; Delaware; Greene, OH; High Point, NC; Keene, NH; Lawrence, KS; Lincoln, NE; Louisville, KY; Massachusetts; Minneapolis, MN; Pittsburgh, PA; Portage, OH; Portland, OR; San Antonio, TX; San Diego, CA; San Mateo, CA; Seattle, WA; Tulare, CA; and Vancouver, WA.¹ Data collection activities will take place in these sites from Fall 2002 to early Spring 2003 with a draft final report delivered to HUD in summer 2003.

Design Issues and History

This research design is a revision of an earlier evaluation strategy developed by the Urban Institute, under subcontract to Aspen Systems Corporation, at the initiation of the demonstration.² A revision is necessary and desirable at this stage for two, unrelated reasons. The first has to do with the appropriateness of the original strategy given changes that have been made to the demonstration's duration. The second has to do with the feasibility of the original strategy given the unavailability of certain key data that are crucial to implementing it. These are briefly discussed below.

The MTW authorizing legislation mandates an end-of-demonstration evaluation report be completed three years after the demonstration's initiation. Accordingly, the initial evaluation plan was designed as if it were a final assessment of MTW. Since that time, MTW authority has been extended to five or even seven years for some of the participating HAs, limiting the extent to which a final evaluation should be attempted, or can be done, at the end of the third year. For those sites continuing beyond that point, longer-term results will certainly not be knowable in three years. Even for other sites, it has become clear that longer-term results may not be evident at the three year mark. This suggests a revised evaluation strategy that, in the third year, focuses on identifying what HA's have attempted to accomplish with the autonomy granted under MTW and identifying important policy lessons to that point from the experimentation and innovation undertaken as part of MTW.

A second reason for revising the evaluation plan has to do with limitations in the information needed to implement the original plan. As discussed in detail in Quadel's revised Management and Work Plan, previously submitted to HUD, the initial plan for an outcomes-based assessment relied heavily and centrally on data from HUD's Multifamily Tenant Characteristics System (MTCS). It has been necessary for HUD to redesign that system over the last several years to both respond to changes in public housing rules generally and to accommodate the specific circumstances of the MTW demonstration—for those sites participating in it. However, the modified MTCS system for MTW sites is

¹ Subsequent to the presentation of this re-design, the list of sites to be included in the evaluation excluded Chicago, IL and Pittsburgh, PA.

² The earlier strategy is presented in "Moving to Work Demonstration: Technical Assistance Services for Baseline Evaluation Monitoring and Evaluation Plan," The Urban Institute and Aspen Systems, November 1998.

not yet fully operational. As a consequence, much of the outcomes data needed for the assessment are not available, nor are they likely to be available in time to complete an end-of-year-three assessment. The originally conceived design and analysis plan for assessing MTW, therefore, is not feasible.

Redesign approach

The original design for evaluating the MTW demonstration anticipated other data collection activities and reports beyond those that focus on demonstration outcomes. These other activities are less affected by the lack of availability of MTCS outcomes data because they primarily involve process and implementation reports documenting and analyzing the activities undertaken by MTW sites and reporting on what happens when HAs are deregulated. To compensate for the lack of a national MTCS system for MTW sites, these other aspects of the assessment need to be enhanced; under the circumstances, they will of necessity provide the primary assessment vehicle.

The study redesign has a two-pronged research strategy. The first component documents the demonstration activities and experience of participating local housing agencies, and the second component focuses on selected policy topics. The *site activity and experience* component will provide a catalogue of the changes planned and implemented under MTW along with a review of overall challenges, themes, and unintended consequences. The *policy studies* component will highlight the experimentation and innovation permitted under MTW along with relevant lessons for the broader national housing policy debate. Each of these components is described in this research design.

SITE ACTIVITY AND EXPERIENCE

The first major component of our MTW assessment will document the demonstration activities and experience of participating local housing agencies. Specifically, we will present information on the MTW activities planned and implemented at each of the twenty HAs included in this assessment. We expect this portion of the study will have three sections: (1) site background and context; (2) planned and implemented MTW activities; and (3) cross-cutting themes.

Information on site activity will be gathered primarily from the baseline data collection tools, ongoing monitoring forms, and periodic updates of the baseline instruments. This information will be organized, updated and presented in a comprehensive tabular format. Site visits to each of the HAs will be used to update activity records and collect a limited amount of information on the overall MTW experience. The goal of this portion of the report is not to formally evaluate each local program or to present a case study of their MTW experience. Instead, this section systematically documents MTW plans and activities while identifying important themes across sites.

MTW Site Background and Context

The HAs participating in MTW vary quite substantially with respect to their size, the type of communities in which they are located, and the mix of programs they operate. Some are large, city agencies, operating both public housing and Section 8, as well as state or local housing programs, while others are located in much smaller, less urbanized communities, and a few are state-wide agencies. These background characteristics provide important context when reviewing what each HA decided to do with MTW.

Therefore, the site activity section of the final report will provide general background information on the MTW sites. This information will relate to the community, agency, and programs participating in MTW. Much of this information has already been assembled for the *Baseline Report* on the MTW demonstration and for interim site reports prepared by the HUD's MTW technical assistance providers. We do not anticipate a separate narrative for each site but summary tables of important characteristics.

MTW Activities and Program Changes

The flexibility allowed by the MTW demonstration resulted in a wide variety of proposed programs and activities across the participating sites. Moreover, many sites modified their plans between the submission of their MTW proposal and their final agreements with HUD, dropping some activities, adding others, and refining the specific details. Demonstration activities continued to evolve during implementation, with some sites phasing in new programs and activities gradually, and others dropping or discontinuing some activities they had implemented earlier. In other words, each site's MTW program has evolved over time in response to changing priorities, HUD-imposed constraints, and implementation experience.

To document MTW activities, we will prepare a comprehensive activity list and include sites that (1) planned to implement, (2) received approval in their HUD agreement, and (3) initiated implementation of various MTW activities. The types of activities recorded include changes in occupancy and rent rules for both public housing and Section 8, changes in PHA administrative procedures and reporting, changes in funding, changes in public housing ownership and/or financing, and changes in supportive services for assisted households. The charts will cover all twenty MTW sites in this assessment and the data will be presented by activity and on a site-by-site basis.

Information on proposed and approved activities has already been assembled for the *Baseline Report* on the MTW demonstration. Data on implementation status is included in monitoring reports and periodic updates to the evaluation tools. Moreover, we will ask HUD's MTW technical assistance providers and the MTW sites to review the activity charts to identify any necessary corrections and additions.

Cross Site Themes

This study will include field visits to all of the MTW sites. Interviews with housing agency staff will explore their overall MTW experience, including challenges that arose during implementation as well as the local HA's assessment of success. We will collect information on local perceptions about how well activities and reforms are working, whether they are producing the anticipated benefits, and whether they have produced any unintended consequences. This discussion will include any evidence sites have (both qualitative and quantitative) to support their perceptions about results. Information from site interviews will not be presented on a site-by-site basis but analyzed and summarized for important challenges, outcomes, and themes across sites.

POLICY STUDIES

The second major component of our MTW assessment will focus on selected policy topics, where the experimentation and innovation permitted under MTW offer important lessons for the broader national housing policy debate. We have identified six such policy topics, each of which is the subject of considerable ongoing interest to federal policy makers, local housing agencies, and low-income housing advocates. The topics are:

- 1) ***Rent Rules*** — several MTW sites are experimenting with alternatives to the standard “percent of income” approach for establishing tenant rent contributions for public housing and Section 8 in order to encourage work and self-sufficiency.
- 2) ***Administrative Streamlining*** — many MTW sites are attempting to cut administrative costs and complexity by eliminating or simplifying HUD-mandated procedures and reports.
- 3) ***Time Limits*** — a few MTW sites have established time limits on receipt of housing assistance in order to encourage work and to assist more eligible households.
- 4) ***Block Grants*** — several MTW sites have been allowed to combine their operating subsidies, modernization grants, and Section 8 funding into a flexible funding stream, in order to allocate resources more effectively.
- 5) ***Capital Stock*** — a small number of MTW sites are using the demonstration to experiment with alternative housing ownership and financing arrangements in order to expand the stock of affordable housing.